

PERIOD OF ENTITLEMENT

The length of time for which insured persons are entitled to receive insured services depends solely on medical necessity. No arbitrary limitations may be imposed with regard to entitlement in connection with length of stay in the hospital. Insurance entitlement would not apply where it is not considered medically necessary for an insured patient to remain in the hospital.

HOSPITAL INSURANCE SUPPLEMENTARY FUND

The Hospital Insurance Supplementary Fund was established in 1966-67 for the payment of hospital insurance claims on behalf of residents of Canada, who, through no fault of their own, ceased to be eligible for and entitled to insured services under a provincial plan and thus found themselves liable for insured services. Applications for payment under this Fund are submitted initially by the hospital to the province, and are subsequently processed by the federal administration.

Details concerning individual provincial plans are available from:

Newfoundland	Deputy Minister of Health, St. John's, Newfoundland.
Prince Edward Island	Chairman, Hospital Insurance Commission of Prince Edward Island, P.O. Box 4500, Charlottetown, P.E.I.
Nova Scotia	Executive Director, Hospital Insurance Commission, Lord Nelson Building, 5675 Spring Garden Road, Halifax, Nova Scotia.
New Brunswick	Director, Hospital Services, Department of Health, Fredericton, New Brunswick.
Quebec	Assistant Deputy Minister. (Financing) Finance Directorate Department of Social Affairs Joffre Building 1075 Chemin Ste-Foy Quebec 6, P.Q.

Ontario	Chairman and General Manager, Ontario Hospital Services Commission, 2195 Yonge Street, Toronto 7, Ontario.
Manitoba	Chairman, Manitoba Health Services Commission, 599 Empress St. Winnipeg 10, Manitoba.
Saskatchewan	Executive Director, Saskatchewan Hospital Services Plan, Department of Public Health, Provincial Health Building, 3211 Albert Street, Regina, Saskatchewan.
Alberta	Chairman, Alberta Hospital Services Commission Administration Building 10820 — 98th Avenue Edmonton 6, Alberta
British Columbia	Deputy Minister of Hospital Insurance, Department of Health Services and Hospital Insurance, Victoria, British Columbia.
Northwest Territories	Chairman, Territorial Hospital Insurance Services Board, Room 1978, General Purpose Building, Ottawa 3, Ontario.
Yukon	Commissioner of Yukon Territory, P.O. Box 2703, Whitehorse, Yukon.
Further information is also available from:	
Director, Hospital Insurance and Diagnostic Services, Department of National Health and Welfare, Ottawa 3, Ontario.	



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HOSPITAL INSURANCE AND DIAGNOSTIC SERVICES PROGRAM

Background

Canadians enjoy numerous benefits, including a high level of hospital care to help maintain and improve their health. The Federal Government's Hospital Insurance and Diagnostic Services Program plays an important role in providing virtually all Canadians with the hospital care and treatment they may require. The program, now in effect in all of Canada's provinces and territories, has been responsible for establishing and maintaining many services and facilities leading to better health and improved standards of health care.

History

The Canadian Hospital Insurance and Diagnostic Services Program was established with the approval of the Hospital Insurance and Diagnostic Services Act in 1957. The program became operative on July 1, 1958, with British Columbia, Alberta, Saskatchewan, Manitoba and Newfoundland having enacted the necessary provincial legislation and entered into agreements with the federal government as of that date.

Six months later, on January 1, 1959, similar programs were introduced in Ontario and Nova Scotia. New Brunswick followed on July 1, and Prince Edward Island entered on October 1. The Northwest Territories joined these provinces on April 1, 1960, and the Yukon on July 1. With the inauguration of a program in Quebec in January 1, 1961, residents of all provinces and territories in Canada were entitled to insured hospital insurance and diagnostic services.

All provincial and territorial programs are similar insofar as they fulfill the minimum requirements of the federal law, but differ in those areas in which the provinces have choice of action. The Canadian program therefore consists of a series of individual provincial hospital insurance and diagnostic services programs.

Administration

Responsibility for the administration of the program at the federal level rests with the Hospital Insurance and Diagnostic Services Directorate, Department of National Health and Welfare. Provincial administrative responsibility lies with the Departments of Health or Hospital Commissions, which report to the provincial legislatures through a minister.

The Hospital Insurance and Diagnostic Services Directorate, in addition to its administrative responsibilities, provides consultant services for medical administration, hospital administration, nursing, hospital accounting and dietetics. Consultant services are provided as well to other federal departments, to provinces, or to individual hospitals through the provinces.

The Hospital Services Study Unit within the Directorate includes medical administration, nursing, sociology, hospital administration, systems and computer consultants. These consultants provide guidance and encouragement for proposed or on-going applied research projects. The Unit also carries out intramural research projects, all with the underlying theme of more effective utilization of hospitals and personnel.

IN-PATIENT AND OUT-PATIENT SERVICES

1. In-Patient Services

A primary requirement for entering into an agreement under the Federal Act is that a province provide, on uniform terms and conditions, in-patient services specified in the federal law. All provinces provide the following as insured in-patient services:

- Accommodation and meals at the standard or public ward level and necessary nursing service. Insured persons are themselves responsible for the payment of the additional charges made for the use of preferred (private or semi-private) accommodation.
- Laboratory, radiological and other diagnostic procedures together with the necessary interpretations for the purpose of maintaining health, preventing disease and assisting in the diagnosis and treatment of any injury, illness or disability. This includes the professional interpretations in cases where such interpretations are essential.
- Surgical supplies, drugs, biologicals and related preparations when administered in the hospital.
- Use of operating room, case and anaesthetic facilities, including necessary equipment and supplies.
- Use of radiotherapy and physiotherapy facilities where available.

2. Out-Patient Services

Provinces have the option of providing any or all of the in-patient services on an out-patient basis. A feature of out-patient services in most of the provinces is the fairly broad range of services provided in case of an accident. Differences between the provinces in the provision of out-patient services have diminished since the program began, since a substantial expansion in the scope of insured out-patient services has taken place. This broadening of insured services is still under way. With the introduction of provincial medical care plans, established under the Federal Medical Care Program, it is expected that complete out-patient coverage will occur.

FEDERAL CONTRIBUTIONS

Federal contributions to the provinces are calculated on a formula designed to provide for an average federal contribution of approximately fifty per cent of the total shareable costs of insured services in Canada.

On applying the formula to each province the percentage of federal assistance varies inversely with the provincial per capita cost of hospital care. In provinces where the per capita cost is lower than the average, the percentage of federal contribution is greater than 50 per cent while in provinces where the per capita cost exceeds the national average, the federal contribution is less than 50 per cent. From the beginning of the program in 1958, until March 31, 1971, payments by Canada to the provinces, and special contributions to the Province of Quebec under the Established Programs (Interim Arrangements) Act in lieu of regular hospital insurance payments totalled more than \$6 billion. For the fiscal year 1970-71, the amount was more than \$1 billion.

PROVINCIAL FINANCING

Since the provinces are free to determine their own methods of financing the provincial share of costs, a variety of methods has emerged. Three provinces use the premium method for raising a portion of funds required, while two provinces rely strictly on general revenue. The remaining provinces utilize taxes, either in the form of sales or property tax, to raise funds to meet at least part of the provincial share of costs. In some provinces the patient pays a minimal portion of the hospital bill through imposition of an authorized charge.

SHAREABLE COSTS

The federal government shares in the costs of providing insured services, as defined in the federal legislation. The definition of costs excludes certain capital costs but includes the costs of moveable equipment, and all types of fixed equipment specifically required by a hospital.

PARTICIPATING HOSPITALS

Hospitals receiving reimbursements may include acute, general, chronic and convalescent hospitals. Excluded are hospitals for the mentally ill, tuberculosis sanatoria and nursing homes whose primary purpose is the provision of custodial care.

UNIVERSAL AVAILABILITY

The Federal Act prescribes that, in order to participate, a province must make insured services available to all residents of the province on equal terms and conditions. There may be no exclusions on grounds of nationality, age, income or pre-existing conditions.

RESIDENTS

Residents of a province are defined as persons legally entitled to remain in Canada, who make their home and who are ordinarily present in that province. Tourists, transients or visitors to a province are specifically excluded from the definition of residents. Residents are entitled to insured services in their home province as well as in the other provinces.

WAITING PERIOD

Although no specific period of residence may be laid down as a requirement for the establishment of residence in a province, waiting periods not exceeding three months are permitted. A person who is a resident of a particular province and moves from that province to take up residence in another part of Canada is deemed to continue to be a resident of the original province during normal travelling time and during any waiting period not exceeding three months which may be necessary to qualify for benefit under the hospital insurance legislation of the new province. When a person moves to a premium province (Ontario, Manitoba, Saskatchewan) it is recommended that he apply for coverage under the provincial hospital plan immediately upon his arrival. This will avoid loss of coverage.